ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

OF

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

FOR THE YEAR
ENDED
DECEMBER 31, 1938

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THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

DIRECTORS

WILLIAM G. BESLER, Chairman of the Board.

GOLDTHWAITE H. DORR
*WILLIAM V. GRIFFIN
HOWARD W. MAXWELL
THEODORE W. REATH
EDWARD W. SCHEER
GEORGE M. SHRIVER
ROY B. WHITE
FREDERICK E. WILLIAMSON

* Elected February 21, 1939.

EXECUTIVE COMMITTEE

GEORGE M. SHRIVER, Chairman.

WILLIAM G. BESLER
GOLDTHWAITE H. DORR
THEODORE W. REATH
EDWARD W. SCHEER
ROY B. WHITE
FREDERICK E. WILLIAMSON

MAY 23 1939 AS GIFT REQUEST

OFFICERS

EDWARD W. SCHEER, President	New York, N. Y.
REVELLE W. BROWN, Vice-President in Charge of Operation and Maintenance	Philadelphia, Pa.
†EDGAR D. HILLEARY, Vice-President in Charge of Traffic	Philadelphia, Pa.
CHARLES A. GILL, General Manager	Reading, Pa.
CHARLES E. MILLER, General Attorney	New York, N. Y.
ALEXANDER H. ELDER, General Solicitor	New York, N. Y.
WILLIAM KOHLER, Secretary and Treasurer	New York, N. Y.
FRANK M. SNYDER, Comptroller	Jersey City, N. J.
WALTER V. SHIPLEY, Passenger Traffic Manager	New York, N. Y.
CHARLES L. EWING, General Freight Traffic Manager	New York, N. Y.
MATTHEW L. McELHENY, General Superintendent	Jersey City, N. J.
ARTHUR E. OWEN, Chief Engineer	Jersey City, N. J.
ALEXANDER K. GALLOWAY, Superintendent Motive Power and Rolling Equipment	Reading, Pa.
WILLARD W. JAMES, Real Estate and Tax Agent and Valuation Engineer	Jersey City, N. J.
WESLEY A. CLEM, Purchasing Agent	Philadelphia, Pa.

† Retired January 1, 1939.

GENERAL OFFICES, CENTRAL BUILDING,
143 Liberty St., New York, N. Y.

REGISTRAR OF TRANSFERS

Central Hanover Bank and Trust Co., 70 Broadway, New York, N. Y.

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1938

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

ANNUAL REPORT

YEAR ENDED DECEMBER 31, 1938

New York, N. Y., May 10, 1939

TO THE STOCKHOLDERS OF THE CENTRAL RAILROAD CO. OF NEW JERSEY:

The Board of Directors herewith submits report of the operations and affairs of the Company for the year ended December 31, 1938.

	1938	1937	Increase or *Decrease*	
Average miles of road operated	709.73	682.73	27.00	4%
Receipts from the transportation of anthracite and bituminous coal, merchandise, passengers, etc.	$29,251,620	$32,577,715	*$3,326,095*	*10%*
Cost of operating the railroad and maintaining the property	21,720,016	23,927,577	*2,207,561*	*9%*
Net Revenues	$ 7,531,604	$ 8,650,138	*$1,118,534*	*13%*
*Federal, State and other taxes	5,382,035	4,624,525	757,510	16%
Payments to other companies in excess of receipts to such companies for hire of equipment and use of joint facilities	1,890,425	1,877,848	12,577	1%
Net Railway Operating Income	$ 259,144	$ 2,147,765	*$1,888,621*	*88%*
Income from investments in securities, property rentals and other items	919,150	970,653	*51,503*	*5%*
*Miscellaneous income deductions	588,854	296,327	292,527	99%
Income available for fixed charges	$ 589,440	$ 2,822,091	*$2,232,651*	*79%*
Fixed charges—interest on funded debt, rentals paid for leased railroads, etc.	4,854,265	4,904,477	*50,212*	*1%*
Deficit after fixed charges	$ 4,264,825	$ 2,082,386	$2,182,439	105%
Percentage of each dollar of operating revenue consumed by operating expenses	74.25%	73.45%	.80%	
Rate of return on investment in property used for transportation service	0.14%	1.16%	*1.02%*	
Times fixed charges earned	.12	.58	*.46*	

* See Explanatory note, Page 4.

A statement in detail of the Income Account appears on Page 13.

GENERAL REMARKS

Railway operating revenues of The Central Railroad Company of New Jersey for the year 1938, amounted to $29,251,620, a decrease of $3,326,095, or 10 per cent. as compared with 1937.

Anthracite coal revenues for the year amounted to $7,313,000, a decrease of $327,000, or 4 per cent., compared with previous year. The principal causes of this decrease were: the increased use of substitute fuels and the continued transportation over highways of coal mined legally and illegally.

Both merchandise and bituminous coal revenues show a decrease compared with 1937. The revenues from merchandise traffic amounted to $12,659,422, a decrease of $2,232,216, or 15 per cent.; the revenue from bituminous coal was $2,675,000, a decrease of $375,000, or 12 per cent. under 1937.

Revenues from the transportation of passengers in 1938 were $4,507,805, a decrease of $185,892, or 4 per cent. under 1937.

Revenues from all other sources with allowances for general decline were comparable with such revenues obtained during the year 1937.

The downward trend of general business during the latter part of 1937, continued throughout most of 1938. With the closing months of the year, some improvement was evident, and present indications are for a continued moderate upward trend.

Notwithstanding higher wage scales and increased costs of materials, supplies and fuels, railway operating expenses were $21,720,016, a decrease of $2,207,561, or 9 per cent. below 1937.

The operating ratio was 74.2 per cent., compared with 73.4 per cent. for 1937.

The aggregate of all maintenance charges was $6,908,084, a decrease of $1,554,941, or 18.4 per cent. below the year 1937.

The maintenance of equipment expenses include charges for depreciation of equipment of $1,413,203, a decrease of $17,127, compared with the preceding year.

Transportation expenses amounted to $13,140,385, a decrease of $475,082, or 3.5 per cent. below 1937.

WAGE CONFERENCES: Effective August 1, 1937, following the negotiations with labor unions representing clerical, telegraph, shop crafts, firemen and oilers, signal and maintenance of way forces, the railways of the country granted these forces an advance of five cents per hour in their wages, and effective October 1, 1937, the five brotherhoods of engine and train service employes, received an increase of 44 cents per day for these employes. The agreement also provided for adjustment in mileage rates, daily minimum earnings, monthly rates and guarantees. Subsequently carriers, owing to the general decline in business and with conditions encountered, sought an adjustment of wages to a lower level. All efforts in that direction through regular channels of procedure, were unsuccessful, and resulted finally in the appointment by the President of the United States of a Fact Finding Board, to hear and review the case, and render its findings. These findings were against the carriers, who were required to maintain the wage level as provided for in agreements reached.

The cost to comply therewith for the year 1938, was:	Amount
For non-operating employes	$671,587
For train and engine service employes	251,161
Total	$922,748

The net railway operating income was $259,143, compared with $2,147,765 for the year 1937, a decrease of $1,888,622, or 88 per cent.

TAXES: For the year 1938 there was accrued for Federal, State and Municipal taxes an aggregate of $5,598,786, compared with $4,553,879 for the year 1937, an increase of $1,044,907, which increase is explained by the following:

New Jersey State tax levy was $184,813 in excess of 1937, due primarily to an increase in the tax rate.

Taxes under the Railroad Retirement Act in 1938 exceeded those for 1937 by $452,026, due to the fact the prior Railroad Retirement Act was held to be unconstitutional by the courts which required the cancellation of the taxes accrued for the period from March to December 1936.

Social Securities taxes, Federal and State, were in excess of similar taxes for the year 1937 by $158,141, due to an increase in the rate effective as of January 1, 1938.

Municipal local taxes were in excess of such taxes accounted for in the year 1937 in amount of $315,015, due (a) to the cancellation of taxes accrued in the amount of $291,241 on certain properties in Bayonne, N. J., which properties were conveyed to the City of Bayonne for account of the Central District, Inc., and (b) $23,774 representing various increases on other properties resulting from tax rate increases.

Other taxes of miscellaneous titles, were below similar accruals for the year 1937 by $65,088 due to decreases in income, gross receipt taxes and other miscellaneous items.

Taxes as stated in the report for the year 1937 continue to present a most serious problem to the management. Federal, State and Local taxes for the year 1938, excluding adjustment of accruals applicable to prior years, amounted to $5,575,571, equivalent to 19.06 per cent. of Railway Operating Revenues and $20.32 per share upon the Capital Stock. For each dollar of pay roll disbursed the tax bill was equal to 35 cents and, based on the average number of employes on the pay roll, it amounted to $682 per employe.

Taxes as levied by the State of New Jersey for the years 1932 to 1938, both inclusive, which have been accrued in current income from year to year, aggregate $26,901,637, of which the Company has paid $15,227,494, leaving a deferred balance of $11,674,143, which is in litigation. This balance of unpaid State taxes is included in Balance Sheet item "Tax Liability" $13,648,963.

In the 1932 and 1933 cases, after exhausting administrative remedies under the State Law, preliminary injunctions, restraining collection of the contested taxes pending final hearing, were secured from the United States District Court for the District of New Jersey. After final hearing by that Court the suits were dismissed; the 1932 case on the merits (19 Fed. Supp. 63), and the 1933 case on jurisdictional grounds (19 Fed. Supp. 82). Appeal was then taken to the United States Circuit Court of Appeals for the Third Circuit, and that Court sustained the decision of the lower Court. A petition asking the United States Supreme Court to review the litigation was denied on March 13, 1939, and a petition for rehearing was also denied on April 17, 1939.

In the 1934, 1935 and 1936 cases, preliminary injunctions pending final hearing were secured from the United States District Court. The trial of these cases before the District Court extended from April 20th to November 30, 1937, and a decision is now awaited.

The 1937 and 1938 assessments have been appealed to the New Jersey State Board of Tax Appeals, and are still the subject of hearings.

The litigation above described is being pressed jointly by this Company, the New York Central, Delaware, Lackawanna & Western, Lehigh Valley and Erie System, and the aggregate amount of taxes assessed by the State of New Jersey against these five railroad systems, and now in controversy, amounts to approximately $34,000,000.

Charges for Hire of Equipment for the year 1938 amounted to $1,862,946, an increase of $49,020 over 1937, due to the unbalanced movement of loaded cars received from connections versus cars required for originated tonnage.

Income from all other sources, including rents, dividends and interest, shows a net decrease in comparison with 1937, of $51,503, due in major part to the omission during year 1938 of a dividend on the stock of the Raritan River Railroad which was received in 1939.

Gross income was $1,178,294, a decrease of $1,940,125, or 62 per cent. below 1937. Charges to Gross Income for rents, miscellaneous taxes, interest on funded and unfunded debt, and other miscellaneous charges amounted to $5,443,119, resulting in a deficit of $4,264,825, which was charged to the Company's accumulated surplus. This deficit was after a charge of $1,413,203 to operating expenses for depreciation of equipment which charge, while reflecting a depletion of fixed property, entails no cash outlay.

The general balance sheet of the Company as of the close of the year 1938, is shown on pages 10 and 11.

Investments in road and equipment total $147,672,068, compared with $148,903,040 for the year 1937, a decrease of $1,230,972, and represents principally the retirement of obsolete equipment in the amount of $1,127,280.

Current assets aggregate $7,559,576, a decrease of $1,757,322, compared with the year 1937.

Current liabilities aggregate $4,481,445, a decrease of $725,134, compared with the year 1937.

Under caption "Unadjusted Credits" Tax Liability is stated as $13,648,963, and in the main represents taxes in litigation, or accruals not due or payable until 1939.

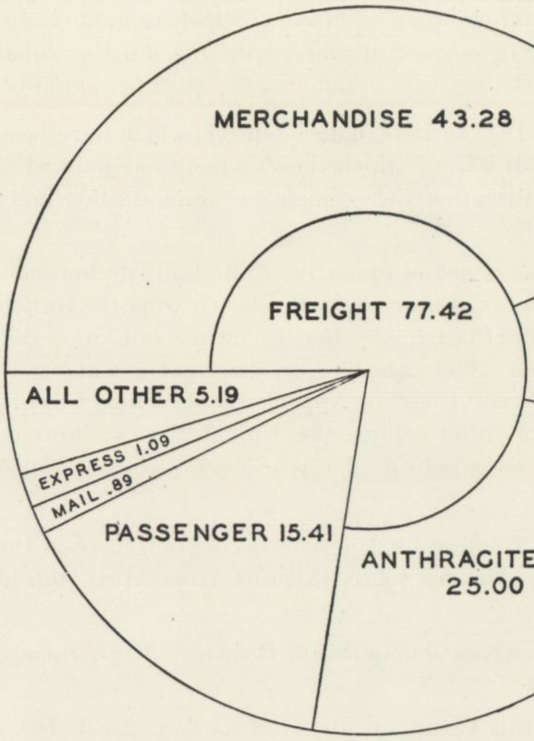
During 1938 Equipment Trust Obligations were reduced by payments of $400,000. The balance of this class of debt $1,200,000, outstanding as of December 31, 1938, will mature serially each year and be fully retired by August 1, 1941.

The following charts indicate the source and disposition of the Company's operating income for the year 1938.

1938

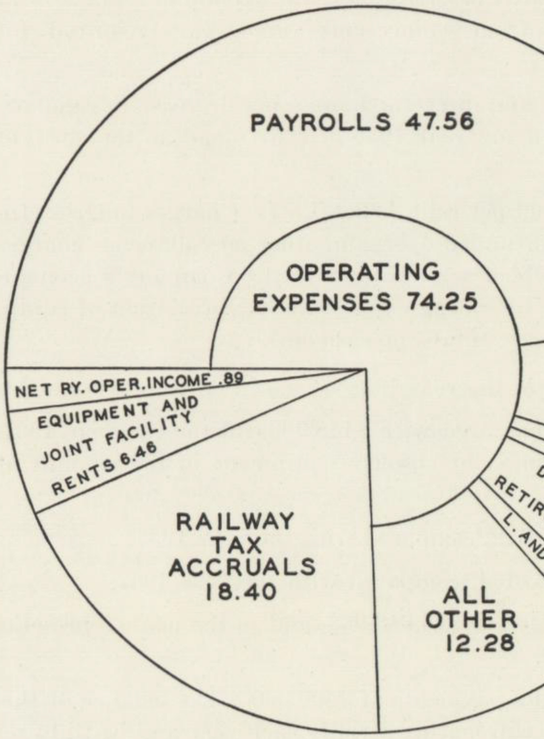
THE SOURCE AND DISPOSITION OF THE RAILROAD DOLLAR

SOURCE



Operating Revenues	Amount	Cents
Freight:		
Anthracite Coal	$ 7,313,000	25.00
Bituminous Coal	2,675,000	9.14
Merchandise	12,659,422	43.28
Total	$22,647,422	77.42
Passenger	4,507,805	15.41
Mail	259,033	.89
Express	319,487	1.09
All other	1,517,873	5.19
Grand Total	$29,251,620	100.00

DISPOSITION



Operating Expenses	Amount	Cents
Payrolls (incl. pensions)	$13,913,716	47.56
Fuel	2,265,459	7.74
Ties	186,242	.64
Rails, Frogs and Switches	268,346	.92
Depreciation and Retirements	1,416,933	4.84
Loss and Damage—Freight	77,945	.27
All other	3,591,375	12.28
Total	21,720,016	74.25
Railway Tax Accruals	5,382,035	18.40
Equip. and Jt. Fac. Rents	1,890,425	6.46
Net Railway Operating Income to Apply on Fixed Charges, etc.	259,144	.89
Grand Total	$29,251,620	100.00

Railroad Credit Corporation: The balance of $234,988 due the Company and referred to in report for the year 1937, has been reduced during current year to $220,301, by distribution payments.

Securities and Exchange Commission: On August 11, 1938, the Securities and Exchange Commission announced new rules, which became effective on October 1, 1938, applying to securities registered on national securities exchanges, which substantially broaden the amount of information to be made available to security-holders whose proxies are solicited.

The new rules provide that a ''proxy statement'' must be sent to each person whose proxy is being solicited. These ''proxy statements'', which must meet certain standards of legibility, must set forth (a) the identity of the persons soliciting the proxy, (b) the nature of the matters to be voted on under the proxy, (c) the power of the security holder to revoke his proxy and the rights of dissenting stockholders, and (d) the expenses of the solicitation, including all compensation paid to solicitors. In addition, certain financial data are sometimes required to be included.

Where the solicitation of proxies covers the election of directors, the ''proxy statement'' must give certain information as to each person for whom it is intended to vote.

Mechanical Stokers on Locomotives: A petition to restrain the Interstate Commerce Commission from requiring the railroads to install automatic stokers on locomotives was filed in the Federal District Court for the Northern District of Ohio, Eastern Division, on Tuesday, June 14, 1938, by 179 Class I railroads. The carriers in their petition asked for a preliminary restraining order staying the enforcement of the Commission's order, as well as a permanent injunction after the case has been heard on its merits. This suit resulted from the Commission's order dated December 27, 1937 (referred to in the 1937 Annual Report), which required the installation of stokers on various classes of steam locomotives.

Hearing was had by the Court on November 26, 1938, on the question of preliminary and final relief. Pending a decision in the matter the Interstate Commerce Commission postponed the effective date of its order until March 1, 1939.

Wages and Hours Bill: During the year 1938, Congress passed the so-called Wages and Hours Bill, S. 2475, which was approved by the Chief Executive on June 25, 1938, and became effective October 24, 1938. The provisions of this bill expressly exempt railway employes from the maximum hours clause (Section 7) but subject them to the minimum wage clause (Section 6).

Under the minimum wage clause, wages must be not less than 25 cents an hour during the first year of employment. During the next six years, the wages must be not less than 30 cents an hour. After the expiration of seven years from the effective date of the Act, wages must be not less than 40 cents an hour unless the Administrator which the Act created and his industrial committee decide otherwise.

Section 15 of this Act prohibits the transportation of goods produced in violation of the wages and hours provisions.

The Central Railroad Company of New Jersey has no employes receiving less than the minimum prescribed by this Act.

Rates and Fares: The Interstate Commerce Commission on March 8, 1938, entered a report in Ex Parte 123, permitting a general increase of 10 per cent. in all existing freight rates and charges, with certain exceptions. On anthracite coal the increase was limited to 11 cents per gross ton. Generally speaking, the various State Commissions permitted these increases to be applied on intrastate traffic except that the Pennsylvania Public Utility Commission refused to permit any increase to be made in intrastate rates on anthracite in Pennsylvania. By reason thereof, the anthracite originating railroads filed a petition with the Interstate Commerce Commission, alleging that the action of the Pennsylvania Commission resulted in undue prejudice against persons and localities in interstate commerce and unjust discriminaton against interstate commerce. After hearings and oral argument, the Interstate Commerce Commission in a report dated November 7, 1938, found that the refusal of the Pennsylvania Commission to permit the railroads to make effective the proposed increases in rates on intrastate shipments of anthracite in Pennsylvania caused the undue prejudice and unjust discrimination alleged by the railroads. The State Commission still refused to permit the carriers to make the increases effective, and on January 4, 1939, the Interstate Commerce Commission entered an order requiring the railroads to publish the increased rates, effective February 10, 1939. Although the Commonwealth of Pennsylvania and Public Utility Commission have threatened court action to set aside the order of the Interstate Commerce Commission, the increased rates became effective February 10, 1939.

The Interstate Commerce Commission, in Ex Parte 115, authorized increases of from 3 cents to 15 cents per net ton in rates on bituminous coal, such increases to expire on December 31, 1938. Upon petition of the railroads, the Commission in a decision rendered November 21, 1938, authorized the extension of such increases beyond December 31, 1938, without any time limitation.

By report and order dated July 5, 1938, the Interstate Commerce Commission authorized the railroads to increase from 2 cents to 2½ cents per mile passenger fares in coaches in the eastern territory of the United States. This increase became effective July 25, 1938, and under the Commission's order is limited to a period of eighteen months.

Railroad Unemployment Insurance: Congress enacted in 1938 a companion measure to the Railroad Retirement Act of 1937. This measure sets up a separate national system of unemployment compensation for rail employes, effective July 1, 1939, to be administered by the Railroad Retirement Board.

The act was sponsored by railway labor organizations, and was opposed by the railways and the United States Treasury Department. Railway opposition centered not on the principle of unemployment compensation, but on the policy of separating railway employes from the system of unemployment compensation already in effect under the provisions of the Social Security Act and complementary state laws. The carriers also opposed a number of specific provisions of the act, but were unable to secure the cooperation of railway labor in modifying them. Railway managements believe that the unemployment benefits provided by the act are so much more liberal than those of the Federal-State systems now in effect that the three per cent. payroll tax levied by its provisions on employers will not prove adequate. No tax is levied on the employe.

The act removes railway employes from the coverage of the Social Security Act and complementary state laws, and transfers them to the railway unemployment insurance system. If an employe in his "base year" has earned as much as $150 in aggregate wages, and becomes unemployed, he is entitled to unemployment benefits payable at the rate of 16 days per month over a maximum period of about five months. His benefits are proportioned to his total earnings in his base year, according to the following scale:

Total Earnings	*Daily Benefit*	*Maximum Annual Benefit*
$150- $199.99	$1.75	$140
200- 474.99	2.00	160
475- 749.99	2.25	180
750-1,024.99	2.50	200
1,025-1,299.99	2.75	220
1,300 and over	3.00	240

Railroad Retirement Act: The year 1938 marked the first year in which the Railroad Retirement Act of 1937 was completely operative.

Under the Carriers' Taxing Act, which is a companion law to the Railroad Retirement Act, the 2¾ per cent. tax rate on carrier pay rolls has been in effect since January 1, 1937, and will continue until January 1, 1940, when it will be increased to 3 per cent.

Total payments by The Central Railroad Company of New Jersey under the Carriers' Taxing Act during the year 1938, were $454,154.

Additions, Betterments and Improvements: Important improvements completed or under way during the year were as follows:

Annandale, N. J.—Completion of the rebuilding and widening of the bridge carrying State Highway Route No. 28, over the main line tracks of the Company. The cost of this improvement, approximately $109,000, was assumed by the State of New Jersey from funds allotted to it by the Federal Government.

Jersey City, N. J.—The State of New Jersey completed the rebuilding of the bridge carrying Clerk Street over the main line tracks of the Newark and New York Branch. The cost of this improvement, approximately $52,000, was assumed by the State of New Jersey from funds allotted to it by the Federal Government.

Elizabethport, N. J.—The grade crossing elimination was substantially completed as of November 30, 1938, despite the delays occasioned by legal stays, labor disputes and other causes. Work was done under an order of the Board of Public Utility Commissioners of the State of New Jersey and with the aid of a Public Works Administration grant. Final figures are not at this time determinable, but it is evident that the cost of this project, funds for which will be provided in major part by the State of New Jersey and the Federal Government, will be appreciably less than the estimated cost of $5,151,600.

Bayonne Port Terminal.—There was constructed and placed in service a spur track to serve the newly-completed City of Bayonne's "Ship to Rail" Terminal, known as Bayonne Port Terminal located on the Bayonne shore of upper New York Bay. The spur 1.56 miles long, extends from the main line at East 33rd Street station along a causeway to the Terminal area, and as conditions warrant, will be further extended within the Terminal limits. It is expected that this new and modern water front facility will be a source of considerable freight revenue to the Company.

Hill to Hill Bridge between Weissport and Lehighton, Pa.—A new high level bridge spanning the main line tracks of the Company was completed and placed in service during the year by the Commonwealth of Pennsylvania. No highway grade crossings were eliminated as the result of this improvement, but highway travel over the adjacent Bridge Street grade crossing is materially reduced thereby. The project cost approximately $542,000, most of which was paid by the Commonwealth of Pennsylvania with funds allotted to it by the Federal Government. This Company's contribution to the cost was $3,000.

Huber Breaker at Ashley, Pa.—A new yard was constructed to serve the Glen Alden Coal Company's new Huber coal breaker on the site of old Maxwell No. 20, located adjacent to Ashley Yard, Ashley, Pa. Coal mined from Buttonwood, Stanton, Empire, and Hollenback, as well as that from old Maxwell No. 20, will be prepared at this new modern breaker, which was erected at a cost of approximately $3,000,000, and having a capacity of 1,000 tons per hour. It will be ready for operation February 1, 1939. The expense to this Company for the yard serving this facility will be approximately $75,000.

NEW EQUIPMENT—Ten 600 H.P. Diesel switching engines were purchased at a total cost of $622,500. These engines are for service in Jersey City, N. J. territory. Payment for this equipment will be made in ninety-six consecutive monthly installments of $6,484.37, together with interest at rate of 3% per annum on the unpaid balance. Four of these engines were delivered just prior to the close of the year, and the six remaining engines were scheduled for delivery early in 1939.

INDUSTRIAL DEVELOPMENT: During the year 1938, thirty-two new industries were located along the Central Railroad Company of New Jersey. These can be classified generally as follows:

Manufacturing Plants	10
Storage Distributing Plants	11
Coal Yards	2
Lumber and Building Supplies	2
Bulk Gas and Oil Plants	2
Scrap Iron Plants	1
Scrap Glass Plants	1
Feed and Grain Distributors	2
Miscellaneous	1
	32

TRACK IMPROVEMENTS: During the year there were laid in replacement the following:

59,957	Cross Ties
332,901	Board feet of Switch and Bridge Ties
2,116	Cubic Yards of Stone Ballast
3.70	Miles of Main Track with New Steel Rails
.12	Miles of Side Track with New Steel Rails
3.92	Miles of Main Track with Second-hand rails
2.67	Miles of Side Track with Second-hand Rails

EQUIPMENT RETIREMENTS: During the year there was retired from service the following equipment with a ledger value of $1,127,280.14:

Locomotives	4
Passenger Train Cars	1
Freight Train Cars	777
Units of Floating Equipment	4
Units of Other Equipment	22

Under the regulations of the Interstate Commerce Commission, effective January 1, 1935, expenses are charged with the depreciation of equipment at rates approved by the Commission, which for your Company were equivalent to a composite rate of 3.04 per cent. The ledger value of equipment retired, after charging to appropriate accounts the salvage realized therefrom, was $944,565.82 debited to account "Accrued Depreciation-Equipment".

The officers and employes are commended for the loyal and efficient services rendered during the past year. The Board also acknowledges with grateful appreciation the cooperation of the holders of the Company's securities, as well as the support received from its patrons.

Appended will be found balance sheet as of December 31, 1938, and various other informative statements.

By Order of the Board of Directors,
EDWARD W. SCHEER,
President.

THE CENTRAL RAILROAD COMPANY OF NEW JERSEY

GENERAL BALANCE SHEET

DECEMBER 31, 1938, COMPARED WITH DECEMBER 31, 1937

Assets	December 31, 1938	December 31, 1937	Increase	Decrease
Investments:				
Road	$ 95,980,319.41	$ 96,150,290.65		$ 169,971.24
Equipment	51,691,748.98	52,752,750.11		1,061.001.13
Total	$147,672,068.39	$148,903,040.76		$1,230,972.37
Improvements on Leased Railway Property	$ 14,066,189.63	$ 14,047,558.85	$ 18,630.78	
Miscellaneous Physical Property	3,169,415.82	3,179,473.97		$ 10,058.15
Investments in Affiliated Companies,				
Stocks	4,719,060.48	5,556,602.58		837,542.10
Bonds	5,007,021.44	2,060,000.00	2,947,021.44	
Advances	5,759,571.42	5,645,036.01	114,535.41	
Notes and Mortgages	740,000.00	490,000.00	250,000.00	
Other Investments,				
Stocks	1,646,412.69	813,203.11	833,209.58	
Bonds	2,441,000.52	5,380,698.46		2,939,697.94
Notes	28,019.99		28,019.99	
Miscellaneous	325.00	325.00		
Total	$37,577,016.99	$ 37,172,897.98	$ 404,119.01	
Current Assets:				
Cash	$ 3,447,001.53	$ 1,847,529.42	$1,599,472.11	
Time Deposit		2,500,000.00		$2,500,000.00
Special Deposits	120,643.17	387,227.29		266,584.12
Loans and Bills Receivable	9,798.84	11,057.51		1,258.67
Traffic and Car Service Balances Receivable	840,015.63	812,318.91	27,696.72	
Net Balance Receivable from Agents and Conductors	322,565.30	342,268.68		19,703.38
Miscellaneous Accounts Receivable	1,167,377.32	1,405,216.37		237,839.05
Material and Supplies	1,487,424.05	1,874,859.63		387,435.58
Interest and Dividends Receivable	113,343.22	110,945.79	2,397.43	
Other Current Assets	51,406.99	25,474.73	25,932.26	
Total	$ 7,559,576.05	$ 9,316,898.33		$1,757,322.28
Deferred Assets:				
Working Fund Advances	$ 109,734.42	$ 110,034.42		$ 300.00
Insurance and Other Funds	613,380.29	592,650.57	$ 20,729.72	
Other Deferred Assets	335,515.06	268,714.01	66,801.05	
Total	$ 1,058,629.77	$ 971,399.00	$ 87,230.77	
Unadjusted Debits:				
Rents and Insurance Premiums Paid in Advance	$ 63,596.76	$ 612,312.08		$ 548,715.32
Other Unadjusted Debits	1,390,013.08	1,132,347.29	$ 257,665.79	
Securities Issued or Assumed—Unpledged	1,174,000.00	1,174,000.00		
Total	$ 2,627,609.84	$ 2,918,659.37		$ 291,049.53
Grand Total	$196,494,901.04	$199,282,895.44		$2,787,994.40

GENERAL BALANCE SHEET

DECEMBER 31, 1938, COMPARED WITH DECEMBER 31, 1937

Liabilities	December 31, 1938	December 31, 1937	Increase	Decrease
Stock:				
Capital Stock,				
Common—Authorized $30,000,000.00				
Not Issued 2,563,200.00				
Outstanding	$ 27,436,800.00	$ 27,436,800.00		
Long Term Debt:				
Funded Debt Unmatured:				
Equipment Obligations with Public	$ 1,200,000.00	$ 1,600,000.00		$ 400,000.00
Mortgage Bonds in Co's Treasury	1,267,000.00	1,267,000.00		
Mortgage Bonds with Public	48,731,000.00	48,731,000.00		
Total	$ 51,198,000.00	$ 51,598,000.00		$ 400,000.00
Current Liabilities:				
Traffic and Car Service Balances Payable	$ 1,333,854.37	$ 1,226,861.27	$ 106,993.10	
Audited Accounts and Wages Payable	1,959,483.40	2,834,081.30		$ 874,597.90
Miscellaneous Accounts Payable	158,241.37	129,820.07	28,421.30	
Interest Matured Unpaid	867,126.25	866,067.50	1,058.75	
Dividends Matured Unpaid	49,324.50	49,824.50		500.00
Funded Debt Matured Unpaid	6,551.60	6,551.60		
Unmatured Interest Accrued	22,500.00	30,000.00		7,500.00
Unmatured Rents Accrued	4,441.87	4,441.87		
Other Current Liabilities	79,921.42	58,930.70	20,990.72	
Total	$ 4,481,444.78	$ 5,206,578.81		$ 725,134.03
Deferred Liabilities:				
Other Deferred Liabilities	$ 267,140.81	$ 401,872.40		$ 134,731.59
Unadjusted Credits:				
Tax Liability	$ 13,648,962.56	$ 11,664,744.25	$1,984,218.31	
Premium on Funded Debt	3,691.83	4,922.44		$ 1,230.61
Insurance and Casualty Reserves	589,983.80	571,060.08	18,923.72	
Accrued Depreciation—Equipment	27,340,082.21	26,871,445.21	468,637.00	
Accrued Depreciation—Road	561,880.00	561,880.00		
Other Unadjusted Credits	743,511.72	265,753.59	477,758.13	
Total	$ 42,888,112.12	$ 39,939,805.57	$2,948,306.55	
Corporate Surplus:				
Additions to Property through Income and Surplus:				
Investment in Road and Equipment	$ 54,807,203.32	$ 55,266,727.52		$ 459,524.20
Improvements on Leased Railway Property	11,937,601.78	11,920,341.97	$ 17,259.81	
Investment in Miscellaneous Physical Property	17,591.64	17,591.64		
Total Appropriated Surplus	$ 66,762,396.74	$ 67,204,661.13		$ 442,264.39
Profit and Loss Credit Balance	$ 3,461,006.59	$ 7,495,177.53		$4,034,170.94
Total Corporate Surplus	$ 70,223,403.33	$ 74,699,838.66		$4,476,435.33
Grand Total	$196,494,901.04	$199,282,895.44		$2,787,994.40

PROFIT AND LOSS

DECEMBER 31, 1938

Credit Balance December 31, 1937		$7,495,177.53
Credits from Retired Road and Equipment		12,691.92
Donations		2,329.89
Miscellaneous Credits		453,043.28
		$7,963,242.62
Less		
Debit Balance transferred from Income	$4,285,120.80	
Surplus Appropriated for Investment in Physical Property	24,432.68	
Debits from Retired Road and Equipment	135,577.29	
Miscellaneous Debits	57,105.26	$4,502,236.03
Credit Balance December 31, 1938		$3,461,006.59

INCOME ACCOUNT

YEAR ENDED DECEMBER 31, 1938, COMPARED WITH PREVIOUS YEAR

	1938	1937	Increase	Decrease
Operating Revenues:				
Merchandise	$12,659,421.98	$14,891,637.72		$ 2,232,215.74
Bituminous Coal	2,675,000.00	3,050,000.00		375,000.00
Anthracite Coal	7,313,000.00	7,640,000.00		327,000.00
Passenger	4,507,804.75	4,693,696.26		185,891.51
Excess Baggage	554.22	1,051.66		497.44
Parlor and Chair Car	13,009.11	15,149.08		2,139.97
Mail	259,033.17	256,833.65	$ 2,199.52	
Express	319,487.11	426,517.93		107,030.82
Other Passenger Train	66,927.70	74,577.70		7,650.00
Milk	11,843.72	11,910.97		67.25
Switching	44,620.54	54,797.54		10,177.00
Water Transfers—Freight	10,063.92	8,234.20	1,829.72	
Water Transfers—Passenger	67,315.21	71,537.29		4,222.08
Water Transfers—Vehicles and Live Stock	382,640.76	401,381.19		18,740.43
Water Transfers—Other	14,372.71	14,696.33		323.62
Incidental	894,351.89	953,545.64		59,193.75
Joint Facility	12,172.83	12,147.68	25.15	
Total	$29,251,619.62	$32,577,714.84		$ 3,326,095.22
Operating Expenses:				
Maintenance of Way and Structures	$ 1,866,022.59	$ 2,515,484.33		$ 649,461.74
Maintenance of Equipment	5,042,061.14	5,947,540.68		905,479.54
Traffic	583,685.21	573,107.97	$ 10,577.24	
Transportation—Rail, Lighterage and Ferries	13,029,479.21	13,499,108.11		469,628.90
Transportation—Sandy Hook Route	110,906.01	116,358.78		5,452.77
Miscellaneous Operations	243,007.97	272,309.17		29,301.20
General	845,301.74	1,003,703.22		158,401.48
Transportation for Investment—Credit	447.95	35.45		412.50
Total	$21,720,015.92	$23,927,576.81		$ 2,207,560.89
Net Revenue from Railway Operations	$ 7,531,603.70	$ 8,650,138.03		$ 1,118,534.33
Charges to Net Revenues from Railway Operations:				
Railway Tax Accruals	$ 5,382,035.46	$ 4,624,525.37	$ 757,510.09	
Hire of Equipment	1,862,946.41	1,813,926.77	49,019.64	
Joint Facility Rents	27,478.36	63,920.65		$ 36,442.29
Total Charges to Net Revenues	$ 7,272,460.23	$ 6,502,372.79	$ 770,087.44	
Net Railway Operating Income	$ 259,143.47	$ 2,147,765.24		$ 1,888,621.77
Non-operating Income:				
Miscellaneous Rent Income	$ 298,723.25	$ 298,431.24	$ 292.01	
Dividend Income	206,904.62	245,635.23		$ 38,730.61
Income from Funded Securities	210,915.59	209,953.00	962.59	
Income from Unfunded Securities and Accounts	35,170.72	56,135.41		20,964.69
Release of Premiums on Funded Debt	1,230.61	1,230.61		
Total	$ 752,944.79	$ 811,385.49		$ 58,440.70
Other Non-operating Income:				
Miscellaneous Non-operating Physical Property	$ 110,477.05	$ 109,732.43	$ 744.62	
Separately Operated Properties—Profit	6,609.93	5,275.98	1,333.95	
Income from Sinking and Other Reserve Funds	21,405.34	23,615.01		$ 2,209.67
Miscellaneous Income	27,713.18	20,644.49	7,068.69	
Total Other Income	$ 166,205.50	$ 159,267.91	$ 6,937.59	
Total Non-operating Income	$ 919,150.29	$ 970,653.40		$ 51,503.11
Gross Income	$ 1,178,293.76	$ 3,118,418.64		$ 1,940,124.88
Deductions from Gross Income:				
Rent for Leased Roads	$ 2,389,152.73	$ 2,389,886.98		$ 734.25
Miscellaneous Rents	338,935.89	338,082.51	$ 853.38	
Miscellaneous Tax Accruals	216,750.31	*70,645.90*	287,396.21	
Separately Operated Properties—Loss	21,043.70	16,718.17	4,325.53	
Interest on Funded Debt	2,455,700.00	2,473,700.00		18,000.00
Interest on Unfunded Debt	9,412.90	40,890.61		31,477.71
Maintenance of investment organization	257.93	475.00		217.07
Miscellaneous Income Charges	11,865.76	11,697.50	168.26	
Total Deductions from Gross Income	$ 5,443,119.22	$ 5,200,804.87	$ 242,314.35	
Net loss	$ 4,264,825.46	$ 2,082,386.23	$ 2,182,439.23	
Disposition of Net Income:				
Income Applied to Sinking and Other Reserve Funds	$ 20,295.34	$ 22,505.01		$ 2,209.67
Debit Balance Transferred to Profit and Loss	$ 4,285,120.80	$ 2,104,891.24	$ 2,180,229.56	

Italics denote credit.

FUNDED DEBT UNMATURED DECEMBER 31, 1938

NAME OF SECURITY	Date of Issue	Date of Maturity	Total Amount Issued	Held by Company	Amount Actually Outstanding	Interest		
						Rate per Cent	Due	Charged to Income During the Year
Mortgage Bonds								
The Central R. R. Co. of New Jersey—Coupon	July 1, 1887	July 1, 1987	$17,667,000.00	$1,074,000.00	$16,593,000.00	5	Jan. and July	$ 829,650.00
The Central R. R. Co. of New Jersey—Registered	July 1, 1887	July 1, 1987	27,331,000.00	100,000.00	27,231,000.00	5	Jan., April, July and Oct.	1,361,550.00
The Central R. R. Co. of New Jersey—Coupon	Jan. 1, 1928	July 1, 1987	4,657,000.00		4,657,000.00	4	Jan. and July	186,280.00
The Central R. R. Co. of New Jersey—Registered	Jan. 1, 1928	July 1, 1987	343,000.00		343,000.00	4	Jan., April, July and Oct.	13,720.00
Total Mortgage Bonds			$49,998,000.00	*$1,174,000.00	$48,824,000.00			
Equipment Trust Obligations								
The Central R. R. Co. of New Jersey Series 1926—First Lease	Aug. 1, 1926	Aug. 1, 1941	$ 534,000.00		$ 534,000.00	4½	Feb. and Aug.	28,702.50
The Central R. R. Co. of New Jersey Series 1926—Second Lease	Aug. 1, 1926	Aug. 1, 1941	228,000.00		228,000.00	4½	Feb. and Aug.	12,255.00
The Central R. R. Co. of New Jersey Series 1926—Third Lease	Aug. 1, 1926	Aug. 1, 1941	120,000.00		120,000.00	4½	Feb. and Aug.	6,450.00
The Central R. R. Co. of New Jersey Series 1926—Fourth Lease	Aug. 1, 1926	Aug. 1, 1941	318,000.00		318,000.00	4½	Feb. and Aug.	17,092.50
Total Equipment Trust Obligations			$ 1,200,000.00		$ 1,200,000.00			
Grand Total			$51,198,000.00	*$1,174,000.00	$50,024,000.00			$2,455,700.00

* Does not include $93,000.00 bonds held by Insurance Reserve Fund.

ACCRUED RENTAL FOR LEASED ROADS CHARGED TO INCOME

YEAR ENDED DECEMBER 31, 1938, COMPARED WITH PREVIOUS YEAR

NAME OF COMPANY	1938	1937	Increase	Decrease
Dover and Rockaway R. R. Co.	$ 12,656.51	$ 12,712.07		$ 55.56
Lehigh and Susquehanna R. R. Co.	2,279,109.87	2,279,056.66	$ 53.21	
Ogden Mine R. R. Co.	25,892.49	25,891.10	1.39	
Wilkes-Barre and Scranton Ry. Co.	71,493.86	72,227.15		733.29
Total	$2,389,152.73	$2,389,886.98		$ 734.25

INSURANCE RESERVE FUND

FOR YEAR ENDED DECEMBER 31, 1938

Cash on Hand, December 31, 1937		$ 7,685.33
RECEIPTS		
Contributions to Fund	$ 9,600.00	
Interest and Dividends from Securities in Fund	22,101.34	
Sale of Securities	4,000.00	
Miscellaneous	3.00	35,704.34
		$43,389.67
DISBURSEMENTS		
Fire and Marine Losses	$11,050.49	
Purchase of Securities	14,476.00	25,526.49
Cash on Hand, December 31, 1938		$17,863.18

ASSETS		LIABILITIES	
Cash	$ 17,863.18	Balance of Reserve, Dec. 31, 1938	$589,983.80
Securities	566,133.11		
Interest and Dividends Receivable	5,987.51		
Total	$589,983.80	Total	$589,983.80

SECURITIES	Par Value	Book Value
SECURITIES OF OTHER COMPANIES:		
Stocks:		
Ogden Mine R. R. Co	$ 2,800.00	$ 1,891.96
Mahoning Coal R. R. Co	1,500.00	23,300.00
Reading Co	76,500.00	55,208.63
Bonds:		
Boston & Maine R. R. Co., 5% First Mortgage Gold Bonds, Series "11"	9,000.00	8,588.75
Buffalo, Rochester & Pittsburgh Ry. Co., 4½% Consolidated Mortgage Bonds	15,000.00	14,141.25
Chicago, Rock Island & Pacific Ry. Co., 3½% Certificates of Indebtedness	6,800.00	6,486.23
Chicago, Rock Island & Pacific Ry. Co., 4½% Gold Bonds, Series "A"	7,962.72	7,486.72
Erie R. R. Co., 4% Convertible Gold Bonds, Series "A"	5,000.00	4,078.75
Erie R. R. Co., 4% General Lien Gold Bonds	11,000.00	8,950.00
Erie R. R. Co., 5% Refunding and Improvement Mortgage Gold Bonds	3,000.00	2,797.50
Erie R. R. Co., 5% Refunding and Improvement Mortgage Gold Bonds	6,000.00	5,655.00
Federal Farm Mortgage Corp., 3¼% Bonds	13,600.00	13,653.29
Glen Alden Coal Co., 4% First Mortgage Gold Bonds	13,000.00	7,507.50
Hudson & Manhattan R. R. Co., 5% First Lien and Refunding Mortgage Bonds, Series "A".	10,000.00	10,047.50
Illinois Central R. R. Co., 4¾% Gold Bonds	11,000.00	10,768.00
Missouri Pacific R. R. Co., 4% General Mortgage Gold Bonds	10,000.00	7,938.50
Missouri Pacific R. R. Co., 5% First and Refunding Mortgage Gold Bonds, Series "F"	2,000.00	1,999.00
Morris & Essex R. R. Co., 5% Construction Mortgage Gold Bonds, Series "A"	10,000.00	10,350.00
New York Central R. R. Co., 4½% Refunding & Improvement Mtge. Gold Bonds, Series "A".	20,000.00	16,300.00
New York Central R. R. Co., 4% Consolidation Mortgage Gold Bonds, Series "A"	9,000.00	8,153.25
New York Central R. R. Co., 5% Refunding and Improvement Mtge. Gold Bonds, Series "C".	2,000.00	2,114.00
New York, New Haven & Hartford R. R. Co., 4½% First and Refunding Mtge. Gold Bonds	10,000.00	9,186.25
New York, Susquehanna & Western R. R. Co., 5% General Mortgage Gold Bonds	5,000.00	3,560.00
New York, Chicago & St. Louis R. R. Co., 5½% Refunding Mtge. Gold Bonds, Series "A"	5,000.00	1,292.50
New York, Chicago & St. Louis R. R. Co., 4½% Refunding Mtge. Gold Bonds, Series "C"	3,000.00	667.50
Pennsylvania R. R. Co., 4½% Gold Debenture Bonds	10,000.00	9,540.00
Philadelphia & Reading Coal and Iron Co., 5% Refunding Mtge. Sinking Fund Gold Bonds.	22,200.00	12,536.63
Reading Company, 4½% General and Refunding Mortgage Gold Bonds, Series "A"	51,000.00	40,697.50
Reading Company, 4½% General and Refunding Mortgage Gold Bonds, Series "B"	10,000.00	8,345.00
Southern Pacific Co., 4½% Gold Bonds	15,000.00	14,312.25
Southern Ry. Co., 4% Development and General Mortgage Gold Bonds, Series "A"	7,000.00	6,086.50
St. Louis and San Francisco Ry. Co., 4% Prior Lien Mortgage Gold Bonds, Series "A"	5,000.00	4,448.75
U. S. Government, 2⅞% Treasury Bonds	15,350.00	15,445.91
U. S. Government, 3% Treasury Bonds	23,400.00	23,238.55
U. S. Government, 3⅛% Treasury Bonds	58,300.00	59,153.44
U. S. Government, 3⅜% Treasury Bonds	17,000.00	17,293.75
Wabash Ry. Co., 5% Refunding and General Mortgage Gold Bonds, Series "D"	4,000.00	4,020.00
Wabash Ry. Co., 4½% Refunding and General Mortgage Gold Bonds, Series "C"	7,000.00	6,237.75
Western Union Telegraph Co., 5% Gold Bonds	10,000.00	9,655.00
Total Securities of Other Companies	$523,412.72	$473,133.11
COMPANY'S SECURITIES:		
Central R. R. Co. of N. J., 5% General Mortgage Gold Bonds	$ 83,000.00	$ 83,000.00
Central R. R. Co. of N. J., 4% General Mortgage Gold Bonds	10,000.00	10,000.00
Grand Total	$616,412.72	$566,133.11

SECURITIES OWNED

DECEMBER 31, 1938

STOCKS	Par Value	Book Value
Allentown Terminal R. R. Co.	A $ 225,000.00	$ 225,000.00
American Dock and Improvement Co.	B 30,000.00	1,000.00
Bay Shore Connecting R. R. Co.	27,900.00	27,900.00
Communipaw Central Land Co.	2,000.00	2,000.00
Dover and Rockaway R. R. Co.	C 75,000.00	79,000.00
Elizabethport and New York Ferry Co.	1,455.00	1,455.00
Easton and Western R. R. Co.	50,000.00	50,000.00
Edroyal Corporation	750,000.00	750,000.00
Hunter Run Water Co.	5,000.00	3,196.02
Jersey Central Transportation Co.	20,000.00	20,000.00
Manhattan Lighterage Co.	1,975.00	1.00
Mount Hope Mineral R. R. Co.	109,300.00	†
New York and Long Branch R. R. Co.	D 2,000,000.00	2,000,000.00
Newark Warehouse Co.	10,000.00	10,000.00
Ogden Mine R. R. Co.	418,800.00	283,408.46
Penn Haven Realty Co.	15,000.00	15,000.00
Railway Express Agency, Inc.	*	1,100.00
Wharton and Northern R. R. Co.	500,000.00	1,250,000.00
Total Affiliated Companies	$4,241,430.00	$4,719,060.48
Allentown Iron Co.	$ 124,800.00	$ 12,899.90
Globe and Rutgers Fire Insurance Co. (Pref.)	6,135.00	40,900.00
Lakewood Trust Co.	350.00	546.70
Lehigh and Hudson River Ry. Co.	787,000.00	748,287.20
Perth Amboy Trust Co. (Pref.)	70.00	280.00
Raritan River. R. R. Co.	495,300.00	839,609.58
Sea Bright National Bank	100.00	150.00
Seydel Chemical Co. (Scrip)	15.02	1.00
United Fuel Service, Inc. (Pref.)	136.31	136.31
Hudson River Day Line (Pref.)	*	1,600.00
Hudson River Day Line (Scrip Pref.)	*	50.00
The Central District, Inc.	10,000.00	1,152.00
67th Floor Holding Corporation	100.00	800.00
Total Other Investments	$1,424,006.33	$1,646,412.69

* Without nominal or par value.

† Included in amount shown as book value of Wharton and Northern R. R. Co.

A Pledged under General Mortgage	$ 225,000.00
B Pledged under General Mortgage	30,000.00
C Pledged under General Mortgage	45,000.00
D Pledged under General Mortgage	2,000,000.00
	$2,300,000.00

SECURITIES OWNED

DECEMBER 31, 1938

BONDS	Par Value	Book Value
Allentown Terminal R. R. Co., 4½%	$ 205,000.00	$ 205,000.00
Dover and Rockaway R. R. Co., 6%	35,000.00	35,000.00
New York & Long Branch R. R. Co., 4%	451,000.00	451,000.00
New York & Long Branch R. R. Co., 5%	269,000.00	269,000.00
Newark Warehouse Company, 6%	1,100,000.00	1,100,000.00
Reading Company General & Refunding 4½% Gold Bonds	3,148,400.00	2,947,021.44
Total Affiliated Companies	$5,208,400.00	$5,007,021.44
Philadelphia & Reading Coal & Iron Company Refunding Mortgage 5% Sinking Fund Gold Bonds	$1,622,000.00	$1,518,253.33
Republic of Poland, 4½%	100.00	100.00
Sea Coast R. R. Co., 5%	3,500.00	3,500.00
U. S. Government Treasury Bonds, 3⅛%	545,800.00	568,488.85
Street Railways Advertising Co., 4%	15,673.50	15,673.50
Hudson River Day Line, 6%	550.00	550.00
New York World's Fair, Inc., 4%	22,000.00	22,000.00
Thatcher Co., Cumulative Income Debenture 4%	586.84	586.84
The Central District, Inc., Secured Bonds 5%	25,000.00	25,000.00
The Central District, Inc., Income Debenture	2,500,000.00	286,848.00
Total Other Investments	$4,735,210.34	$2,441,000.52
New York City Bonds, 4½%	A $ 3,000.00	$ 3,000.00
New York City Bonds, 4%	A 350.00	346.50
New York City Bonds, 4¼%	B 10,700.00	10,987.50
U. S. Government Treasury Bonds, 3⅜%	C 15,000.00	15,050.00
Total Insurance and Other Funds, not including Insurance Reserve Fund, (see folio 15.)	$ 29,050.00	$ 29,384.00
SECURITIES ISSUED OR ASSUMED		
C. R. R. Co. of N. J. General Mortgage, 5%	$1,174,000.00	$1,174,000.00
NOTES AND MORTGAGES		
Edroyal Corporation, 4¼%	$ 250,000.00	$ 250,000.00
Edroyal Corporation, 4%	450,000.00	450,000.00
Penn Haven Realty Company, 6%	40,000.00	40,000.00
Total Affiliated Companies	$ 740,000.00	$ 740,000.00
NOTES		
The Central District, Inc., 5%	$ 22,984.90	$ 22,984.90
R. Hoe and Co	385.09	385.09
Wilson Paper Stock Co., Inc	4,650.00	4,650.00
Total Other Investments	$ 28,019.99	$ 28,019.99
MISCELLANEOUS (MORTGAGE)		
David Smith, 6%	$ 325.00	$ 325.00

A Deposited with the City of New York under Agreements	$ 3,350.00
B Deposited with the State of New York (State Industrial Commission)	10,000.00
B Deposited with the City of New York under Agreements	700.00
C Deposited with Federal Reserve Bank of New York under Agreements with U. S. Employees Compensation Commission	10,000.00
C Deposited with the State of New York (State Industrial Commission)	5,000.00

ADDITIONS AND BETTERMENTS

YEAR ENDED DECEMBER 31, 1938

ROAD OWNED AND LEASED:	Gross Capital Charges	Retirements	Net Capital Charges
Betterment of Rail and Improved Other Track Material (All Divisions)	$ 9,256.29		$ 9,256.29
Installation of fill to resurface mine cave-ins Lehigh and Susquehanna Division	1,295.42		1,295.42
Improvement to salt meadow land by filling Elizabethport, N. J.	6,027.24		6,027.24
Track facilities for Bayonne Port Terminal, Bayonne, N. J.	33,859.90		33,859.90
Track facilities for the Glen Alden Coal Company's Huber Breaker, Ashley, Pa.	56,715.52		56,715.52
Purchase of coal pillars from the Glen Alden Coal Co., Ashley, Pa.	7,057.50		7,057.50
Retirements:			
Jersey City, N. J., Tracks		$ 15,181.01	*15,181.01*
Jersey City, N. J., Track and Trestle		14,002.76	*14,002.76*
Bayonne, N. J., Track and Trestle		11,888.84	*11,888.84*
Central Division, Tracks		27,691.24	*27,691.24*
Elizabethport, N. J., Land and Tracks		185,903.54	*185,903.54*
Port Reading, N. J., Buildings and Machines		8,370.39	*8,370.39*
Miscellaneous	29,770.60	32,285.15	*2,514.55*
Total Road Owned and Leased	$143,982.47	$ 295,322.93	*$ 151,340.46*
EQUIPMENT:			
Additions and Betterments to Existing Equipment	$ 66,279.01		$ 66,279.01
Retired Equipment:			
Steam Locomotives		116,747.22	*116,747.22*
Freight Train Cars		939,837.04	*939,837.04*
Passenger Train Cars		17,688.27	*17,688.27*
Floating Equipment		24,750.00	*24,750.00*
Work Equipment		28,212.51	*28,212.51*
Miscellaneous Equipment		45.10	*45.10*
Total Equipment	$ 66,279.01	$1,127,280.14	*$1,061,001.13*
Grand Total	$210,261.48	$1,422,603.07	*$1,212,341.59*

Italics denote credits.

CLASSIFICATION OF TONNAGE

YEAR ENDED DECEMBER 31, 1938, COMPARED WITH PREVIOUS YEAR

COMMODITIES	1938		1937	
	Tons	Per Cent	Tons	Per Cent
Product of Agriculture	896,385	4.03	857,937	3.15
Animals and Products	312,487	1.40	304,624	1.12
Products of Mines	12,673,960	56.89	15,189,937	55.79
Products of Forests	458,854	2.06	636,943	2.34
Manufactures and Miscellaneous	7,523,600	33.77	9,759,099	35.84
Grand Total, Carload Traffic	21,865,286	98.15	26,748,540	98.24
All L. C. L. Freight	412,154	1.85	479,069	1.76
Grand Total, Carload and L. C. L. Traffic	22,277,440	100.00	27,227,609	100.00

OPERATING EXPENSES

YEAR ENDED DECEMBER 31, 1938, COMPARED WITH PREVIOUS YEAR

	1938	1937	Increase	Decrease
MAINTENANCE OF WAY AND STRUCTURES				
Superintendence	$ 188,134.36	$ 180,668.47	$ 7,465.89	
Roadway Maintenance	154,155.74	182,862.75		$ 28,707.01
Tunnels and Subways	8,192.51	8,470.54		278.03
Bridges, Trestles and culverts	59,104.36	71,331.91		12,227.55
Ties	119,459.30	186,241.80		66,782.50
Rails	40,461.47	70,635.62		30,174.15
Other Track Material	109,682.72	197,710.63		88,027.91
Ballast	8,754.88	18,596.44		9,841.56
Track Laying and Surfacing	426,989.81	646,406.93		219,417.12
Fences, snowsheds, and signs	5,042.88	7,681.47		2,638.59
Station and Office Buildings	93,671.16	150,907.59		57,236.43
Roadway Buildings	727.95	2,199.55		1,471.60
Water Stations	15,755.95	19,766.89		4,010.94
Fuel Stations	10,781.39	14,737.91		3,956.52
Shops	21,106.99	41,470.99		20,364.00
Enginehouses	44,054.20	50,166.13		6,111.93
Wharves and Docks	90,774.62	129,458.62		38,684.00
Coal and Ore Wharves	35,889.04	31,755.49	4,133.55	
Telegraph and Telephone Lines	12,412.35	13,777.08		1,364.73
Signals and Interlockers	229,984.96	242,757.93		12,772.97
Power Plants	6,629.73	6,336.31	293.42	
Power Transmission Systems	9,400.01	13,339.55		3,939.54
Miscellaneous Structures	18.92	5.34	13.58	
Roadway Machines	11,558.93	22,762.10		11,203.17
Small Tools and Supplies	14,715.57	18,511.00		3,795.43
Removing Snow, Ice and Sand	71,951.15	52,769.26	19,181.89	
Public Improvements—Maintenance	18,200.99	23,051.77		4,850.78
Injuries to Persons	14,910.08	21,071.97		6,161.89
Insurance	38,404.96	38,502.71		97.75
Stationery and Printing	2,879.44	2,658.81	220.63	
Other Expenses	470.09	239.45	230.64	
Maint'g Joint Tracks, Yards and Other Facilities, Dr.	172.420.27	254,355.88		81,935.61
Maint'g Joint Tracks, Yards and Other Facilities, Cr.	*170,674.19*	*206,519.41*	35,845.22	
Right of Way Expenses		794.85		794.85
Total	$1,866,022.59	$2,515,484.33		$649,461.74
MAINTENANCE OF EQUIPMENT				
Superintendence	$ 230,584.47	$ 227,467.90	$ 3,116.57	
Shop Machinery	40,320.12	71,234.29		$ 30,914.17
Power Plant Machinery	76,637.81	120,945.14		44,307.33
Steam Locomotives—Repairs	1,861,688.91	2,049,209.79		187,520.88
Other Locomotives—Repairs	9.523.76	2,889.20	6,634.56	
Freight-Train Cars—Repairs	674,553.64	975,275.03		300,721.39
Passenger-Train Cars—Repairs	289,247.72	467,530.92		178,283.20
Floating Equipment—Repairs	401,435.10	490,789.72		89,354.62
Work Equipment—Repairs	37,552.50	60,659,31		23,106.81
Miscellaneous Equipment—Repairs	1,125.38	2,098.13		972.75
Equipment—Retirements	3,730.65	33,896.35		30,165.70
Equipment—Depreciation	1,413,202.82	1,430,330.21		17,127.39
Injuries to Persons	28,081.36	42,979.77		14,898.41
Insurance	34,024.27	40,147.39		6,123.12
Stationery and Printing	10,034.40	13,079.90		3,045.50
Other Expenses	1,233.68	563.97	669.71	
Maintaining Joint Equipment—Dr	3,639.09	4,670.97		1,031.88
Maintaining Joint Equipment—Cr	*74,554.54*	*86,227.31*	11,672.77	
Total	$5,042,061.14	$5,947,540.68		$905,479.54

Italics denote credits.

OPERATING EXPENSES—Continued

YEAR ENDED DECEMBER 31, 1938, COMPARED WITH PREVIOUS YEAR

	1938	1937	Increase	Decrease
TRAFFIC EXPENSES				
Superintendence	$ 235,840.94	$ 226,581.22	$ 9,259.72	
Outside Agencies	204,424.54	200,193.38	4,231.16	
Advertising	81,418.75	81,705.63		$ 286.88
Traffic Associations	20,025.80	21,777.98		1,752.18
Insurance	307.90	345.04		37.14
Stationery and Printing	41,584.95	42,502.43		917.48
Other Expenses	82.33	2.29	80.04	
Total	$ 583,685.21	$ 573,107.97	$ 10,577.24	
TRANSPORTATION—RAIL LINE				
Superintendence	$ 278,354.92	$ 269,283.48	$ 9,071.44	
Dispatching Trains	78,122.23	76,287.30	1,834.93	
Station Employees	1,627,560.32	1,631,891.76		$ 4,331.44
Weighing, Inspection & Demurrage Bureaus	15,869.65	13,729.45	2,140.20	
Coal and Ore Wharves	164,901.59	144,751.49	20,150.10	
Station Supplies and Expenses	139,642.91	156,703.48		17,060.57
Yardmasters and Yard Clerks	324,653.93	360,488.32		35,834.39
Yard Conductors and Brakemen	941,101.08	1,027,370.46		86,269.38
Yard Switch and Signal Tenders	48,043.08	49,898.97		1,855.89
Yard Enginemen	622,899.61	680,414.42		57,514.81
Yard Motormen	4,755.39	4,604.08	151.31	
Yard Switching Fuel	355,741.49	408,251.01		52,509.52
Water for Yard Locomotives	45,031.27	44,414.16	617.11	
Lubricants for Yard Locomotives	4,661.48	5,168.84		507.36
Other Supplies for Yard Locomotives	3,828.59	4,417.48		588.89
Enginehouse Expenses—Yard	137,543.13	130,196.08	7,347.05	
Yard Supplies and Expenses	25,614.51	26,151.28		536.77
Operating Joint Yards and Terminals—Dr.	56,902.58	63,758.14		6,855.56
Operating Joint Yards and Terminals—Cr	*572,640.22*	*616,370.36*	43,730.14	
Train Enginemen	1,312,614.61	1,355,840.64		43,226.03
Train Fuel	1,909,717.98	2,035,026.21		125,308.23
Water for Train Locomotives	199,329.96	197,712.64	1,617.32	
Lubricants for Train Locomotives	34,702.00	36,660.97		1,958.97
Other Supplies for Train Locomotives	16,518.85	17,848.97		1,330.12
Enginehouse Expenses—Train	446,733.73	429,554.93	17,178.80	
Trainmen	1,336,170.45	1,404,338.11		68,167.66
Train Supplies and Expenses	610,445.17	650,194.76		39,749.59
Signal and Interlocker Operation	399,145.96	391,210.75	7,935.21	
Crossing Protection	265,563.37	275,863.19		10,299.82
Drawbridge Operation	37,475.81	39,144.48		1,668.67
Telegraph and Telephone—Operation	51,431.27	49,261.60	2,169.67	
Operating Floating Equipment	1,513,545.76	1,641,977.84		128,432.08
Stationery and Printing	42,060.98	49,274.59		7,213.61
Other Expenses	6,287.59	4,696.81	1,590.78	
Operating Joint Tracks and Facilities—Dr	325,233.21	318,615.67	6,617.54	
Operating Joint Tracks and Facilities—Cr	*88,789.08*	*92,795.06*	4,005.98	
Insurance	43,096.50	43,097.21		.71
Clearing Wrecks	10,327.76	13,040.57		2,712.81
Damage to Property	37,904.55	20,604.24	17,300.31	
Damage to Live Stock on Right of Way	10.02		10.02	
Loss and Damage—Freight	77,944.84	86,661.54		8,716.70
Loss and Damage—Baggage	17.16	240.10		222.94
Injuries to Persons	250,309.23	165,986.29	84,322.94	
Total	$13,140,385.22	$13,615,466.89		$475,081.67

Italics denote credits.

OPERATING EXPENSES—Continued

YEAR ENDED DECEMBER 31, 1938, COMPARED WITH PREVIOUS YEAR

	1938	1937	Increase	Decrease
MISCELLANEOUS OPERATIONS				
Dining and Buffet Service	$ 119,004.22	$ 133,617.44		$ 14,613.22
Hotels and Restaurants	124,003.75	138,691.73		14,687.98
Total	$ 243,007.97	$ 272,309.17		$ 29,301.20
GENERAL EXPENSES				
Salaries and Expenses of General Officers	$ 128,813.61	$ 133,148.96		$ 4,335.35
Salaries and Expenses of Clerks and Attendants	429,660.98	421,620.80	$8,040.18	
General office supplies and expenses	34,461.97	32,212.88	2,249.09	
Law Expenses	132,216.14	159,624.83		27,408.69
Insurance	581.37	597.50		16.13
Pensions	49,951.07	174,263.63		124,312.56*
Stationery and Printing	13,563.88	18,020.86		4,456.98
Valuation Expenses	3,580.28	1,932.58	1,647.70	
Other Expenses	54,031.19	60,785.89		6,754.70
General Joint Facilities—Dr	11,619.74	13,906.86		2,287.12
General Joint Facilities—Cr	*13,178.49*	*12,411.57*		766.92
Total	$ 845,301.74	$ 1,003,703.22		$ 158,401.48
Transportation for Investment—Cr	*$ 447.95*	*$ 35.45*		$ 412.50
Grand Total	$21,720,015.92	$23,927,576.81		$2,207,560.89

Italics denote credits.

*The decrease was due to the assumption, effective June 1, 1937, of pension payments by the Government, up to $120.00 per month, in accordance with provisions of the Railroad Retirement Act of 1937.

TRANSPORTATION STATISTICS

YEAR ENDED DECEMBER 31, 1938, COMPARED WITH PREVIOUS YEAR

	1938	1937	Increase	Decrease
Miles of road operated	711.80	709.10	2.70	
Train Miles:				
Freight—ordinary	1,585,042	1,823,290		238,248
Freight—light	94,682	86,941	7,741	
Freight—total	1,679,724	1,910,231		230,507
Passenger	3,269,069	3,296,189		27,120
Total transportation service	4,948,793	5,206,420		257,627
Work service	82,151	89,102		6,951
Locomotive Miles:				
Freight—principal	1,679,724	1,910,231		230,507
Freight—helper	236,534	232,185	4,349	
Freight—light	368,565	425,339		56,774
Freight—total	2,284,823	2,567,755		282,932
Passenger—principal	3,269,069	3,296,189		27,120
Passenger—helper	5,534	5,598		64
Passenger—light	197,964	190,422	7,542	
Passenger—total	3,472,567	3,492,209		19,642
Train switching	677,528	807,675		130,147
Yard switching—freight	1,651,044	1,877,958		226,914
Yard switching—passenger	292,080	294,504		2,424
Yard switching—total	1,943,124	2,172,462		229,338
Total transportation service	8,378,042	9,040,101		662,059
Work service	105,865	138,662		32,797
Car Miles:				
Freight train—loaded	53,140,682	62,123,084		8,982,402
Freight train—empty	35,462,932	38,748,551		3,285,619
Freight train—loaded and empty	88,603,614	100,871,635		12,268,021
Freight train—caboose	1,707,407	1,949,857		242,450
Freight train—total	90,311,021	102,821,492		12,510,471

TRANSPORTATION STATISTICS—Continued

YEAR ENDED DECEMBER 31, 1938, COMPARED WITH PREVIOUS YEAR

Car Miles—Continued:	1938	1937	Increase	Decrease
Passenger train—passenger coaches	11.097,595	11,297,996		200,401
Passenger train—sleeping and parlor cars	488,629	500,402		11,773
Passenger train—club, lounge, dining and observation cars	685,824	578,978	106,846	
Passenger train—business cars	17,606	15,233	2,373	
Passenger train—mail, express and baggage cars, and combination cars other than passenger	2,348,409	2,474,278		125,869
Passenger train—combination passenger cars (mail, express or baggage with passenger)	2,065,619	2,052,220	13,399	
Passenger train—total	16,703,682	16,919,107		215,425
Total transportation service	107,014,703	119,740,599		12,725,896
Work service	175,218	207,074		31,856
Freight Traffic:				
*Revenue per mile of road	$33,270.29	$37,730.47		$ 4,460.18
Revenue per ton	1.01661	.93955	$ .07706	
Revenue per train mile	13.48	13.39	.09	
Revenue per ton per mile	.01351	.01327	.00024	
Number of tons per train mile—all freight	1,045.70	1,052.34		6.64
Number of tons per train mile—revenue freight	997.92	1,008.64		10.72
Number of tons per loaded car mile—revenue freight	31.54	31.01	.53	
Number of cars per train mile—loaded	31.64	32.52		.88
Number of cars per train mile—empty	21.11	20.28	.83	
Number of cars per train mile—all	52.75	52.80		.05
Distance each ton was carried (miles)	75.24	70.80	4.44	
Tons carried—revenue freight Anthracite	6,061,572	6,825,129		763,557
Tons carried—revenue freight Bituminous	4,542,204	5,527,962		985,758
Tons carried—revenue freight Merchandise	11,673,664	14,874,518		3,200,854
Total tons carried—revenue freight	22,277,440	27,227,609		4,950,169
Tons carried one mile—revenue freight	1,676,237,501	1,927,591,356		251,353,855
Passenger Traffic:				
†Revenue service train per mile of road	$11,509.92	$12,194.27		$ 684.35
Revenue per passenger	.25310	.25102	$ .00208	
Revenue per train mile	1.58	1.66		.08
Revenue per passenger per mile	.01259	.01241	.00018	
Number of passengers per train mile	109.56	114.72		5.16
Number of passengers per car mile	28.38	29.48		1.10
Number of cars per train mile	5.09	5.13		.04
Distance each passenger was carried (miles)	20.11	20.22		.11
Passengers carried	17,810,446	18,698,177		887,731
Passengers carried one mile	358,170,725	378,126,837		19,956,112
Total operating revenue per mile of road	$41,095.28	$45,942.34		$4,847.06
Total operating revenue per train mile	5.91	6.26		.35
Operating expenses per mile of road	30,514.21	33,743.59		3,229.38
Operating expenses per train mile	4.39	4.60		.21

* Miles of road operated in freight service used in computing this average.

† Miles of road operated in passenger service used in computing this average.

RATIOS

YEAR ENDED DECEMBER 31, 1938, COMPARED WITH PREVIOUS YEAR

	1938	1937	Increase	Decrease
Ratio of each class of Operating Revenues to Total Operating Revenues:	%	%	%	%
Freight	77.42	78.52		01.10
Passenger	15.41	14.41	01.00	
Mail and Express	01.98	02.10		00.12
Other Transportation	02.09	02.01	00.08	
Other than Transportation	03.06	02.93	00.13	
Joint Facility—Credit	00.05	00.04	00.01	
Joint Facility—Debit	*00.01*	*00.01*		
Total	100.00	100.00		
Ratio of each class of Operating Expenses to Total Operating Expenses:				
Maintenance of Way and Structures	08.59	10.51		01.92
Maintenance of Equipment	23.21	24.86		01.65
Traffic	02.69	02.40	00.29	
Transportation	60.50	56.90	03.60	
Miscellaneous Operations	01.12	01.14		00.02
General	03.89	04.19		00.30
Transportation for Investment—Credit	00.00	00.00		
Total	100.00	100.00		
Ratio of each class of Operating Expenses to Total Operating Revenues:				
Maintenance of Way and Structures	06.38	07.72		01.34
Maintenance of Equipment	17.24	18.26		01.02
Traffic	02.00	01.75	00.25	
Transportation	44.91	41.80	03.11	
Miscellaneous Operations	00.83	00.84		00.01
General	02.89	03.08		00.19
Transportation for Investment—Credit	00.00	00.00		
Total	74.25	73.45	00.80	

EQUIPMENT

DECEMBER 31, 1938, COMPARED WITH PREVIOUS YEAR

Description	*Owned Dec. 31, 1937	Added by Construction or Purchase	Condemned, Destroyed or Sold	Transferred		*Owned Dec. 31, 1938
				Additions	Deductions	
Locomotives:						
Passenger	130		3			127
Freight	139		1			138
Switch	122					122
Switch Oil Electric	1	4				5
Total Locomotives	392	4	4			392
Cars:						
Passenger Train:						
Coaches	474				1	473
Combination Passenger	76					76
Other Combination	15					15
Dining	4					4
Baggage and Express	57					57
Club	3		1	1		3
Total	629		1	1	1	628
Freight—Train:						
Box Cars	3,184		220		1	2,963
Automobile Cars	200					200
Flat Cars	106		40			66
Stock Cars	49					49
Coal Cars	6,495		390			6,105
Refrigerator Cars	44		6			38
Container Cars	21					21
Cement Cars	40					40
Other Freight Train Cars	2,710		99			2,611
Caboose Cars	146		22			124
Poling Cars	7					7
Total	13,002		777		1	12,224
Work Equipment:						
Cinder Cars	18		4			14
Business Cars	2					2
Locomotive Cranes	24					24
Pile Drivers	2		1			1
Work Cars	145		17	1		129
Total	191		22	1		170
Total Cars	13,822		800	2	2	13,022
In Marine Service:						
Steamboats	2					2
Ferryboats	10					10
Tugboats	11					11
Steam Lighters	5					5
Other Lighters	36		3			33
Covered Barges	34					34
Car Floats	20					20
Water Pile Drivers	3		1			2
Launch	1					1
Catamaran	1					1
Total	123		4			119

* Includes Equipment under Trust.

LOCOMOTIVE AND FREIGHT CAR CAPACITY

DECEMBER 31, 1938, COMPARED WITH PREVIOUS YEAR

LOCOMOTIVES

Type	December 31, 1937				Added	Retired	December 31, 1938			
	Number	Average Weight (Tons)		Average Tractive Power			Number	Average Weight (Tons)		Average Tractive Power
		Total	On Drivers					Total	On Drivers	
4 Wheel Switch	1	56.2	56.2	22,272			1	56.2	56.2	22,272
6 Wheel Switch	66	76.8	76.8	34,520			66	76.8	76.8	34,520
8 Wheel Switch	55	122.0	122.0	57,111			55	122.0	122.0	57,111
Oil Electric Switch	1	60.0	60.0	30,000	4		5	91.6	91.6	58,536
10-Wheeler	84	104.1	79.6	34,164			84	104.1	79.6	34,164
12-Wheeler	29	111.9	85.8	39,564			29	111.9	85.8	39,564
Suburban	22	114.8	72.3	24,970		1	21	115.4	72.5	25,076
Consolidation	18	112.5	100.1	41,010		1	17	112.8	100.3	40,857
Atlantic	9	109.0	62.9	29,314		2	7	108.4	63.5	28,811
Pacific	21	158.8	98.6	45,979			21	158.8	98.6	45,979
Mikado	86	169.0	125.5	62,949			86	169.0	125.5	62,949
Total	392	47,286.9	37,888.3	17,419,347	4	4	392	47,250.4	37,998.3	17,553,523
Average		120.6	96.7	44,437				120.5	96.9	44,779

FREIGHT CARS

Type	Number Dec. 31, 1937	Added	Retired	Number Dec. 31, 1938	Capacity (Tons)	
					Dec. 31, 1937	Dec. 31, 1938
Box	3,184		221	2,963	136,650	130,060
Automobile	200			200	10,000	10,000
Flat	106		40	66	4,240	2,640
Stock	49			49	1,470	1,470
Coal	6,495		390	6,105	341,795	322,605
Refrigerator	44		6	38	1,610	1,460
Container Cars	21			21	1,040	1,040
Cement Cars	40			40	2,200	2,200
Other Freight Train Cars	2,710		99	2,611	137,855	133,895
Total	† 12,849		756	† 12,093	636,860	605,370

† Does not include Caboose or Poling Cars.

MILEAGE OF TRACKS, DECEMBER 31, 1938

Name of Road or Track	Termini between which Road named extends	Miles of Road	Miles of Second Main Track	Miles of Third Main Track	Miles of Fourth Main Track	Miles of all other Main Track	Miles of Industrial Tracks	Miles of Yard Track and Sidings	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	LINES OWNED								
CENTRAL DIVISION									
MAIN LINE:	Jersey City, N. J., to Phillipsburg, N. J.	72.28	72.28	39.48	39.31	20.39	15.74	307.07	566.55
BRANCHES:									
Conn. with B. & N. Y. R. R.	Cranford Junction, N. J.	.07	.05						.12
Conn. with D. & B. B. R. R.	Bound Brook Junction, N. J.	.09	.09						.18
Conn. with M. & E. R. R.	Hampton, N. J.	.02							.02
Conn. with M. & E. R. R.	Phillipsburg, N. J.	.11							.11
Bayonne Port Terminal	E. 33rd St., Bayonne, N. J. to Terminus	1.56					.04		1.60
Constable's Hook Branch, N. J.	E. 22nd St., Bayonne, N. J., to Constable's Hook, N. J.	1.92					1.11	3.98	7.01
Conn. with E. J. R. R. & T.	Constable's Hook Branch to E. J. R. R. & T.	.04							.04
Ave. A. Branch	Ave. A, Bayonne, N. J., to W. First St.	.62					.27	.26	1.15
W. 2nd St. Branch	Ave. A, Bayonne, N. J., to Ave. C.	.60					.36		.96
Middle Brook Branch	Middle Brook, N. J., to Chimney Rock, N. J.	1.99					1.26	.76	4.01
Johns-Manville Branch	Manville, N. J., to Terminus	.82							.82
Ingersoll Branch	Phillipsburg, N. J., to Terminus	.70							.70
NEWARK BRANCH:	Communipaw, N. J., to Newark, N. J.	6.19	6.19	.22	.14	.54	5.48	17.17	35.93
Lafayette Branch	Pacific Ave. to Terminus	.66					.15	1.29	2.10
West Side Branch	West Side Ave. to Danforth Ave.	.88					1.03	1.64	3.55
Bay Shore Branch No. 1	Newark Branch to Bay Shore Conn. R. R.	.24						.01	.25
Passaic River Branch	Newark Branch to Terminus	.69					.27	1.01	1.97
Manufacturers Branch	Brills Junction to Passaic River	1.14					.99	4.87	7.00
Manufacturers Ext. Branch	Albert Ave. to Terminus	1.13					.91	1.66	3.70
Feigenspan Branch	Manufacturers Branch to Terminus	.37					.09		.46
NEWARK & ELIZABETH BRANCH:	Brills Junction to Elizabethport, N. J.	5.71	5.61			.37	.73	34.55	46.97
Brills Branch	Newark Transfer to Oak Island Junction, N. J.	1.52	1.46						2.98
Elizabeth Extension Branch	Great Island Junction to Terminus	1.61					.34	2.95	4.90
Conn. with Perth Amboy Branch	Elizabethport, N. J.	.20	.12						.32
PERTH AMBOY BRANCH:	Elizabethport, N. J., to Perth Amboy, N. J.	12.76	12.67	2.04	1.72	.70	2.16	13.97	46.02
Conn. with N. & E. Branch	Elizabethport, N. J.	.16							.16
Raritan N. Shore Branch	Perth Amboy, N. J., to Raritan Brick Works	1.74					.75	.93	3.42
Linden Branch	Tremley, N. J., to Route 25	1.55						.52	2.07
Mather Branch	Linden Branch to Stiles St.	.62							.62
ELIZABETH LOOP LINE:	Elizabeth, N. J., to Elizabethport Docks	2.79					1.89	15.68	20.36
SOUND SHORE BRANCH:	Bayway, N. J., to Chrome, N .J.	5.86					.96	3.31	11.07
Bayway Branch	Bayway, N. J., to Elizabeth River, N. J.	.78					1.11	.62	2.51
Tremley Branch	Tremley, N. J., to Tremley Point, N. J.	.95	.94					.64	1.59
Carteret Branch	Williams & Clark to West Carteret, N. J.	1.26					1.15	.16	2.57
Reformatory Branch	Williams & Clark to Reformatory	4.69					2.52	3.12	10.33
SOUTH BRANCH:	Somerville, N. J., to Flemington, N. J.	15.70					.49	2.17	18.36

MILEAGE OF TRACKS, DECEMBER 31, 1938—Continued

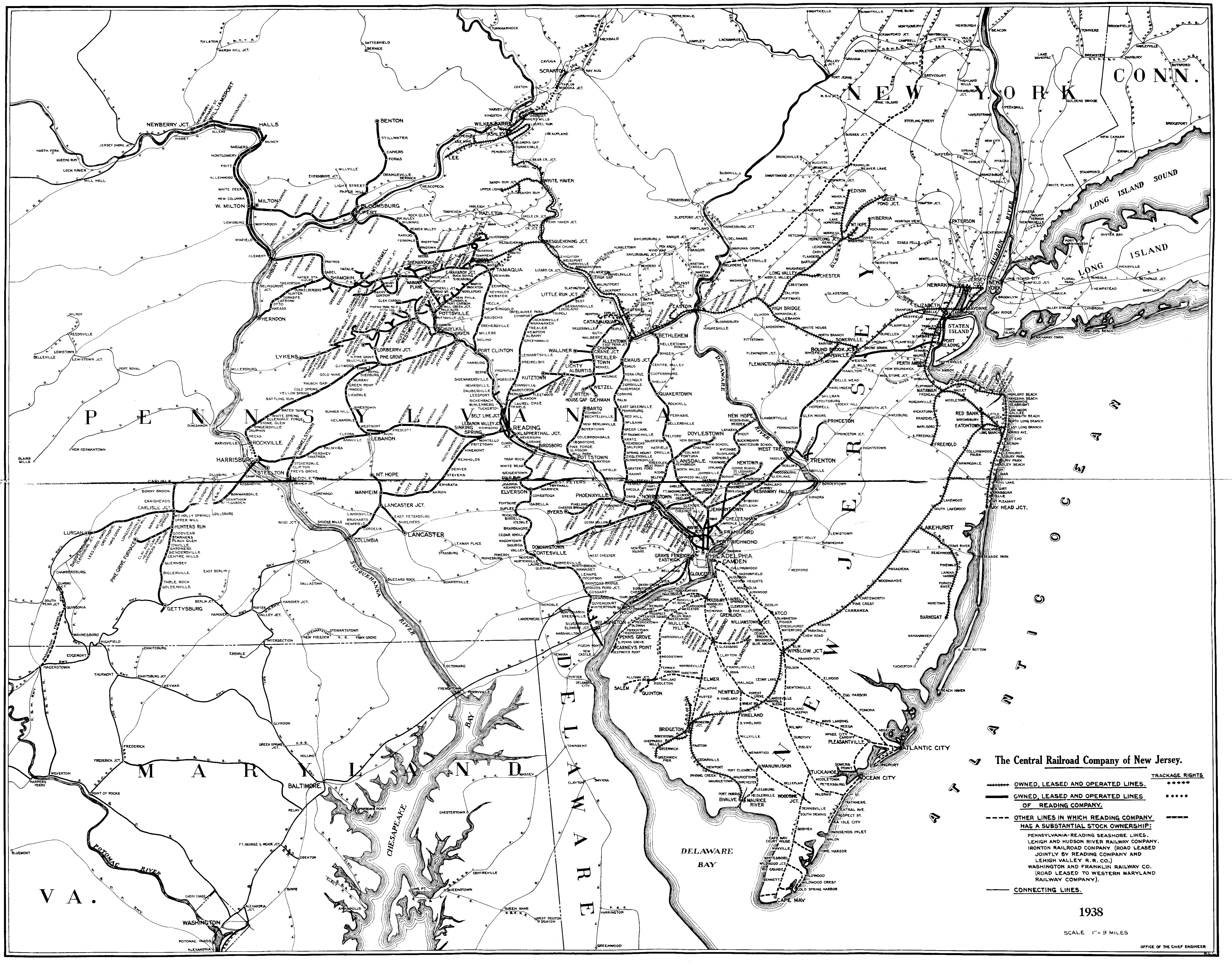
Name of Road or Track	Termini between which Road named extends	Miles of Road	Miles of Second Main Track	Miles of Third Main Track	Miles of Fourth Main Track	Miles of all other Main Track	Miles of Indus-trial Tracks	Miles of Yard Track and Sidings	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
LINES OWNED (Continued)									
CENTRAL DIVISION—Continued									
BRANCHES									
HIGH BRIDGE BRANCH:	High Bridge, N. J., to Wharton, N. J.	25.45					2.23	10.62	38.30
Chester Branch	Long Valley, N. J., to Chester, N. J.	4.48					.09	.17	4.74
Lake Hopatcong Branch	Hopatcong Junction to Lake Hopatcong, N. J.	5.35					.20	1.40	6.95
Hibernia Mine Branch	Rockaway, N. J., to Hibernia, N. J.	4.28					.92	1.54	6.74
BRONX TERMINAL:	New York, N. Y.							2.03	2.03
SOUTHERN DIVISION									
MAIN LINE:	Red Bank, N. J., to Greenwich, N. J.	101.18	.55			.07	4.19	33.63	139.62
BRANCHES									
Belford Branch	Belford, N. J., to Red Bank, N. J.	.83					.31	.27	1.41
Deerfield Branch	Bridgeton, N. J., to Deerfield, N. J.	5.40				.28		1.31	6.99
Conn. with W. J. & S. S. R. R.	Deerfield Branch to W. J. & S. S. R. R.	1.22							1.22
Bridgeton Branch	Main Line to Bridgeton Station, N. J	.26							.26
Vineland Branch	Bowentown, N. J., to Bridgeton, N. J.	3.65					.27	1.01	4.93
Buena Vista Branch	Greenwich, N. J., to Greenwich Pier, N. J.	1.03						.19	1.22
FREEHOLD BRANCH:	Matawan Crossing, N. Y. & L. B. R. R. to Freehold, N. J.	12.22					.83	6.15	19.20
Conn. with N. Y. & L. B. R. R.	Matawan, N. J.	.31							.31
"Y" Connection with N.Y. & L.B.R.R.	Matawan Crossing	.04							.04
SEA SHORE BRANCH:	Matawan Crossing, N. Y. & L. B. R. R. to Eatontown, N. J.	25.44	9.54			.39	2.36	9.63	47.36
"Y" Connection with N.Y. & L.B.R.R.	Matawan Crossing	.04							.04
"Y" Connection with Belford Branch	Belford, N. J.	.16						.53	.69
Stone Church Branch	Atlantic Highlands Station to Third Ave.	.19						.06	.25
Navesink Branch	Sea Shore Br. to Atlantic Highlands Pier, N. J.	.45	.25						.70
"Y" Connection	Navesink Branch to Sea Shore Branch	.22	.22						.44
Highland Beach Branch	Highland Beach, N. J., to U. S. Proving Grounds	.34							.34
West End Branch	East Long Branch, N. J., to West End, N. J.	1.67	1.67				.02	.57	3.93
BARNAGAT BRANCH:	Lakehurst, N. J., to Barnegat, N. J.	22.29					.60	1.42	24.31
CUMBERLAND & MAURICE RIVER BR.:	Bridgeton Junction to Bivalve, N. J.	22.36					1.53	4.54	28.43
LEHIGH AND SUSQUEHANNA DIVISION									
AINEYVILLE BRANCH:	Allentown Terminal R. R. to Terminus, Allentown, Pa.	.33						.12	.45
NANTICOKE EXTENSION BRANCH:	Lee, Pa., to Conn. with P. R. R. at West End Breaker	1.69						.03	1.72
	Total Owned	390.90	111.64	41.74	41.17	22.74	53.35	493.56	1155.10

MILEAGE OF TRACKS, DECEMBER 31, 1938—Continued

Name of Road or Track	Termini between which Road named extends	Miles of Road	Miles of Second Main Track	Miles of Third Main Track	Miles of Fourth Main Track	Miles of all other Main Track	Miles of Industrial Tracks	Miles of Yard Track and Sidings	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
CONTROLLED AND OPERATED BY OWNERSHIP OF CAPITAL STOCK OR BY AGREEMENTS									
LINES LOCATED IN NEW JERSEY									
Bay Shore Conn. Railroad	Newark Branch to Lehigh Valley R. R.	1.10					.94	.65	2.69
Dover & Rockaway R. R.	Wharton, N. J., to Rockaway, N. J.	4.54					1.70	2.06	8.30
Ogden Mine R. R.	Lake Hopatcong, N. J., to Edison, N. J.	9.69					.07	1.26	11.02
LINES LOCATED IN PENNSYLVANIA									
Easton & Western R. R.	E. & W. Junction, Pa., to Easton, Pa.	4.36					.21		4.57
Conn. with Lehigh Valley R. R.	Easton, Pa. (wholly owned by E. & W.)	.07							.07
Conn. with Lehigh Valley R. R.	Easton, Pa., (owned jointly and equally with L. V. R. R.)	.12						.07	.19
Lehigh & Susquehanna R. R.	Phillipsburg, N. J., to Union Junction, Pa.	105.14	91.78	3.73	1.07	2.69	16.08	155.65	376.14
Conn. with Lehigh & Hudson River R. R.	Easton, Pa.	.02							.02
Conn. with Easton & Western R. R.	Easton & Western Jct., Pa.	.04							.04
Minsi Trail Branch	Bethlehem, Pa., to Terminus	.99					.05	.18	1.22
North Penn Conn.	Bethlehem Jct., Pa., to So. Bethlehem, Pa.	.33							.33
Conn. with Lehigh & New England R. R.	Bethlehem Jct., Pa.	.21							.21
Conn. with Allentown Terminal R. R.	East of Allentown, Pa.	.03	.05						.08
Conn. with Allentown Terminal R. R.	West of Allentown, Pa.	.06							.06
Carbon Branch	L. & S. R. R. to Terminus	.50							.50
Coplay Branch	Northampton, Pa., to Hokendauqua, Pa.	.54					.35	.34	1.23
Standard Cement Branch	Northampton, Pa., to Standard Cement Works	.56					5.45		6.01
Allen Cement Branch	L. & S. R. R. to Allen Cement Works	.77					.24		1.01
Conn. with Nesquehoning Valley R.R.	Nesquehoning Jct., Pa.	.16	.17			.04			.37
Conn. with Franklin Branch	Franklin Jct., Pa.	.02							.02
Upper Lehigh Branch	Upper Lehigh Jct., Pa., to Upper Lehigh, Pa.	9.04					.13	1.67	10.84
Sandy Run Branch	Pond Creek Junction, Pa., to Sandy Run, Pa.	2.59					.92	.69	4.20
Quarry Branch	L. & S. R. R. to Terminus	.56						.04	.60
Ashley Planes Branch	Solomons Gap, Pa., to Ashley, Pa.	2.70	2.50					.40	5.60
Buttonwood Branch	Franklin Junction, Pa., to Buttonwood, Pa.	2.19					2.02	.93	5.14
Franklin Branch	Franklin Junction, Pa., to Nanticoke Branch	1.05						.30	1.35
Nanticoke Branch	Gardners Switch, Pa., to Lee, Pa.	17.05					7.56	19.81	44.42
"Y" Connection	Nanticoke Branch to Ashley Planes	.36							.36
Leemine Branch	Leemine, Pa., to Nanticoke, Pa.	2.11					.17		2.28
Wanamie Spur Branch	Wanamie, Pa.	.68							.68
Canal Branch	Miners Mills, Pa., to Plains Jct., Pa.	5.06					.05	.32	5.43
Everhart Branch	Union Jct., Pa., to Everhart, Pa.	3.07					.11	.06	3.24
Nesquehoning Valley R. R.	Nesquehoning Jct., Pa. to Tamanend, Pa.	16.60	7.82			.30	.15	13.37	38.24
Conn. with L. & N. E. R. R.	Hauto, Pa.	.03							.03
Conn. with Reading Co.	Haucks, Pa.	.07							.07
Tresckow R. R.	Silver Brook, Pa., to Beaver Brook, Pa.	8.57					1.54	2.75	12.86
"Y" Connection with Reading Co.	Silver Brook, Pa.	.12							.12
Wilkes-Barre & Scranton Ry.	Minooka Jct., Pa., to Scranton, Pa.	4.25	.76			.04	1.05	7.33	13.43
Total controlled and operated by ownership of capital stock or by agreements		205.35	103.08	3.73	1.07	3.07	38.79	207.88	562.97

MILEAGE OF TRACKS, DECEMBER 31, 1938—Continued

Name of Road or Track	Termini between which Road named extends	Miles of Road	Miles of Second Main Track	Miles of Third Main Track	Miles of Fourth Main Track	Miles of all other Main Track	Miles of Industrial Tracks	Miles of Yard Track and Sidings	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
TRACKAGE RIGHTS									
New York & Long Branch R. R.	Perth Amboy, N. J., to Bay Head Jct. N. J.	37.80	37.73			.78	6.61	34.61	117.53
Conn. with Raritan River R. R.	South Amboy, N. J.	.10							.10
Conn. with Freehold Branch	Matawan Station, N. J.	.10							.10
"Y" Connections	Matawan Crossing	.08							.08
Conn. with Southern Division M. L.	Red Bank. N. J.	.03	.01						.04
Conn. with West End Branch	West End, N. J.	.05	.05						.10
Point Pleasant Loop Track	Conn. in S. B. Main Track to Conn. in N. B. Main Track	1.29							1.29
Delaware & Hudson R. R.	South Wilkes-Barre, Pa., to Plymouth Jct., Pa.	1.93	.62			.44	.29	2.07	5.35
Delaware & Hudson R. R.	Hudson, Pa., to Union Jct., Pa.		1.50						1.50
Delaware & Hudson R. R.	Union Jct., Pa., to Minooka Jct., Pa.	9.66	9.66						19.32
Delaware, Lackawanna & Western R.R.	Plymouth Jct., Pa., to Nottingham Colliery, Pa.	1.67	1.63				.07	.11	3.48
Erie & Wyoming Valley R. R.	Plains Jct., Pa., to Exchange Siding, Pa.	.28							.28
Lehigh & New England R. R.	Hauto, Pa., to Greenwood Jct., Pa.	6.00							6.00
Lehigh & New England R. R.	Catasauqua, Pa., Trackage to Davies & Thomas Plant						.19		.19
Lehigh Valley R. R.	Claremont, N. J., to National Junction, N. J.	1.85	1.49						3.34
Lehigh Valley R. R.	Mineral Spring Br., M. P. 178.07 to M. P. 178.41.							.34	.34
National Docks R. R.	Constable Hook Br., N. J., to Standard Oil Co.	.40	.11				.27		.78
Pennsylvania-Reading Seashore Lines	Winslow Jct., N. J., to Atlantic City, N. J.	31.09	30.47					.06	61.62
Pennsylvania R. R.	Conn. at West End Breaker	.33							.33
Reading Co.	Greenwood Junction, Pa., to Tamaqua, Pa.	1.16							1.16
Reading Co.	Tamaqua, Pa., to Kaska William, Pa.	9.66							9.66
Reading Co.	Tamanend, Pa., to Silver Brook, Pa.	5.38							5.38
N. Y. C. R. R.	National Jct., N. J., to Willow Ave., Hoboken, N. J.	3.00							3.00
Allentown Terminal R. R.	L. & S. R. R. east of Allentown, Pa., to L. & S. R. R. west of Allentown, Pa.	2.75	2.56			.39	1.48	5.22	12.40
"Y" Branches	Connecting with East Penna. R. R., Allentown, Pa.	.59	.59						1.18
Barb Wire Branch	A. T. R. R. to Iowa Barb Wire Works	.35					.09	.19	.63
	Total Trackage Rights	115.55	86.42			1.61	9.00	42.60	255.18
	Grand Total	711.80	301.14	45.47	42.24	27.42	101.14	744.04	1973.25


NEW YORK
CONN.
PENNSYLVANIA
NEW JERSEY
MARYLAND
DELAWARE
VA.
ATLANTIC OCEAN
LONG ISLAND SOUND
LONG ISLAND
STATEN ISLAND
DELAWARE BAY
CHESAPEAKE BAY
HUDSON RIVER
DELAWARE RIVER
SUSQUEHANNA RIVER
POTOMAC RIVER
NEW YORK
PHILADELPHIA
CAMDEN
READING
HARRISBURG
ALLENTOWN
BETHLEHEM
EASTON
SCRANTON
WILKES-BARRE
WILLIAMSPORT
POTTSVILLE
LANCASTER
TRENTON
WILMINGTON
BALTIMORE
WASHINGTON
ATLANTIC CITY
CAPE MAY

The Central Railroad Company of New Jersey.

TRACKAGE RIGHTS

		TRACKAGE RIGHTS
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- - - -	OTHER LINES IN WHICH READING COMPANY HAS A SUBSTANTIAL STOCK OWNERSHIP:	▬
———	CONNECTING LINES.	

PENNSYLVANIA-READING SEASHORE LINES.
LEHIGH AND HUDSON RIVER RAILWAY COMPANY.
IRONTON RAILROAD COMPANY (ROAD LEASED JOINTLY BY READING COMPANY AND LEHIGH VALLEY R.R. CO.)
WASHINGTON AND FRANKLIN RAILWAY CO. (ROAD LEASED TO WESTERN MARYLAND RAILWAY COMPANY).

1938

SCALE 1" = 9 MILES

OFFICE OF THE CHIEF ENGINEER